

# House Study Bill 728

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to assessment of certain apartments located in a  
2 horizontal property regime and providing an applicability  
3 date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 6970YC 80  
6 sc/cf/24

PAG LIN

1 1 Section 1. Section 499B.11, subsection 1, Code 2003, is  
1 2 amended by adding the following new unnumbered paragraph:  
1 3 NEW UNNUMBERED PARAGRAPH. If a building subject to a  
1 4 horizontal property regime contains three or more apartments  
1 5 intended for human habitation which are leased to tenants who  
1 6 are not owners of the apartments and such apartments are not  
1 7 listed as receiving a homestead credit under sections 425.1  
1 8 through 425.15, any apartment located in the building and  
1 9 intended for human habitation which is leased and which is not  
1 10 receiving a homestead credit shall be treated, for purposes of  
1 11 property taxation and special assessments, as commercial  
1 12 property. However, this paragraph does not apply if an  
1 13 apartment was classified as residential property for purposes  
1 14 of property taxation on January 1, 2004.

1 15 Sec. 2. PROPERTY TAXATION OF RENTAL APARTMENTS AND  
1 16 CONDOMINIUMS. It is the intent of the general assembly to  
1 17 resolve the disparity that exists between property taxation of  
1 18 rental apartments and condominiums. The property tax  
1 19 implementation committee established pursuant to 2004 Iowa  
1 20 Acts, First Extraordinary Session, chapter 1, section 41, or  
1 21 any successor committee created by the general assembly, is  
1 22 directed to develop a recommendation to the general assembly  
1 23 for resolving the disparity in a manner that avoids shifting  
1 24 any potential property tax burden to another class of property  
1 25 taxpayers.

1 26 Sec. 3. APPLICABILITY DATE. Section 1 of this Act applies  
1 27 to assessment years beginning on or after January 1, 2005.

### 1 28 EXPLANATION

1 29 This bill provides that if a building subject to a  
1 30 horizontal property regime contains three or more apartments  
1 31 (condominiums) intended for human habitation which are leased  
1 32 to tenants who are not owners of the apartments and such  
1 33 apartments are not listed as receiving a homestead credit, any  
1 34 apartment located in the building and intended for human  
1 35 habitation which is leased and which is not receiving a  
2 1 homestead credit shall be treated, for purposes of property  
2 2 taxation and special assessments, as commercial property  
2 3 unless the apartment was classified as residential property  
2 4 for purposes of property taxation on January 1, 2004. This  
2 5 portion of the bill applies to assessment years beginning on  
2 6 or after January 1, 2005.

2 7 The bill also provides that it is the intent of the general  
2 8 assembly to resolve the disparity that exists between property  
2 9 taxation of rental apartments and condominiums. The bill  
2 10 directs the property tax implementation committee, or any  
2 11 successor committee created by the general assembly, to  
2 12 develop a recommendation to the general assembly for resolving  
2 13 the disparity in a manner that avoids shifting any potential  
2 14 property tax burden to another class of property taxpayers.  
2 15 LSB 6970YC 80  
2 16 sc/cf/24